

1. LEGAL BASE

Public Law 92-603 abolished the OAA, APTD, and AB Programs under Titles I, X, and XIV of the Social Security Acts and established the Supplemental Security Income (SSI) Program which makes payments to eligible aged, disabled, and blind persons. States are permitted to supplement the income of SSI recipients.

In 1973, the General Assembly passed legislation permitting the Departments of Social Services and the Visually Handicapped to establish an Auxiliary Grants (AG) Program (*Code of Virginia*, Section 63.1-25.1).

An amendment to Title XVI required that the individual income of aged, blind, or disabled persons be maintained at December 1973 levels. Grants could be reduced if the individual's situation changed or income increased. If states did not agree to the amendment, Medicaid funds would be lost (Section 212 of PL 93-66). These cases which were called "mandatory supplementation" began receiving Auxiliary Grants assistance in January 1974.

The State Board and the Department for the Visually Handicapped expanded the Auxiliary Grants Program in July 1974 to include (no later than November 1, 1974) aged, blind, or disabled persons in homes for adults who had insufficient funds to meet their needs as established by the State Board. This part of the program was called "optional supplementation" to distinguish these cases from the December 1973 cases. Because individual income has increased since December 1973 it is no longer necessary for Virginia to divide Auxiliary Grants recipients into two groups.

In 1984, the General Assembly passed legislation which gave the Department of Social Services sole responsibility for operating the program.

2. FUNDING

Funding sources for the AG Program are State funds (80%) authorized by the General Assembly and local funds (20%) authorized by the governing body of each locality.

1. INTERVIEW

Each eligibility determination (initial and redetermination) will include a personal interview by the eligibility worker with the applicant/recipient or representative. The individual's representative is the person who represented the applicant/recipient when the current application/redetermination was filed. (See Part I, Chapter B, Section 4). This interview may be face-to-face or may be conducted over the telephone. IF THE INTERVIEW IS FACE-TO-FACE, IT MAY BE CONDUCTED IN THE OFFICE OR AT THE HOME AS LONG AS THE LOCATION CHOSEN IS SATISFACTORY FOR BOTH PARTICIPANTS. For a helpful and appropriate interview, the worker will review the case record prior to the interview.

2. PURPOSES OF INTERVIEW

The interview shall be used:

- a. to make certain the application/redetermination form is complete and represents what the applicant/recipient wants to say about his/her circumstances;
- b. to determine if further verification is needed;
- c. to obtain any additional information needed for an eligibility decision; AND
- d. to provide information to the applicant/recipient.

3. INFORMATION TO BE GIVEN APPLICANT/RECIPIENT

At the initial determination and each redetermination the applicant/recipient shall be told:

- a. His/her responsibility:
 - 1) to provide accurate and complete information to the best of his/her ability; AND
 - 2) to report changes in his/her situation immediately (the day the change occurs or the next agency working day). If the agency uses the Notification of Change, a copy should be given to the applicant/recipient and its use explained at this time. If the applicant/ recipient has more than one worker and reports a change to any one of them, the responsibility to report has been fulfilled. A change that appears on the SDX, Bendex information, or Medicaid CID is considered to be information reported to the agency.
- b. Failure to provide accurate and complete information or report changes immediately may result in prosecution for fraud.

- c. The regulations with respect to nondiscrimination and confidentiality.
- d. The time standards for processing applications, redeterminations, and reviews.
- e. The agency's responsibility to abide by the time standards.
- f. The applicant's/recipient's right of appeal:
 - 1) if timely action is not taken on an application or request for an increase within the required time period, or
 - 2) if he or she is dissatisfied with the agency's action.
- g. The name of the social services agency responsible for providing social services.
- h. The eligibility requirements for AG and how the grant is computed.
- i. The need to substantiate all eligibility factors.
- j. THE RIGHT TO DISPUTE THE CURRENT MARKET VALUE ESTABLISHED FOR REAL AND PERSONAL PROPERTY IF INELIGIBILITY RESULTS.
- k. If eligibility factors cannot be substantiated, he/she will be ineligible.

The applicant/recipient must be given the leaflets: "Appeals and Fair Hearings," "Nondiscrimination Program," and "**Virginia Medicaid Handbook**" at application and at each redetermination.

4. TIME STANDARDS

The State Board has adopted the following time standards (periods of time to take action).

a. Applications

Except as provided, action to approve or deny a case must be taken within 45 days of an application for the Auxiliary Grants Program. The situations where action to approve or deny will not be taken within 45 days are:

- 1) the agency is unable to take action through no fault of its own;
- 2) a disability determination is pending;
- 3) an individual who must apply for SSI within 15 calendar days has applied, but the SSI decision is pending; or

- 4) the adult care residence (ACR) where the applicant is residing does not have a rate above the minimum rate, but does meet one of the stipulations specified in Chapter C, Section 7.a.1).

The 45 days begin with the date a signed application is received in the agency and ends the date the check or denial notice is mailed to the applicant. If action to approve or deny cannot be taken within 45 days, action affirming the pending status of the application must be taken and a notice sent to the applicant explaining the reason action was not taken.

In situation a), the pending status of the application will be continued an additional 15 days. Final action must be taken at the end of the 15-day extension. In situation b), action will be taken when a decision is made on the disability. In situation c), action will be taken when a decision is made on the SSI application. In situation d), action will be taken when a rate above the minimum is established or the ACR no longer meets the stipulations in Chapter C, Section 7.a.1).

When the SSI application of an individual who applied for both AG and SSI is rejected for a reason other than income, the AG application must be rejected. If, as the result of an SSI appeal decision, eligibility for SSI is determined to exist at the time the AG application was filed or a later date, the AG application will be reinstated and eligibility will be determined.

b. Redeterminations (Case Reviews)

Eligibility for all AG recipients must be redetermined annually. All eligibility factors subject to change must be reverified. This review will be due no later than a year from the month of entitlement. If the redetermination is late, the next review must be done no later than one year after the application/redetermination form is received by the agency.

c. Partial Reviews (Changes)

When changes in eligibility factors occur between redeterminations or a recipient requests an increase in a grant, a review is necessary to determine the correctness of payment and continued eligibility.

If an increase is indicated, the increase must be effective no later than the first of the month following the month in which the change is reported. This means a one-month-only or supplemental payment must be made if the change is reported too late to change the check. The Notice to Client of Action will be used. (See Section 7.a.) Example: A change is reported on July 10. The increase must be effective August 1. **EXCEPTION**: Rate increases for ACR's AND ADULT FAMILY CARE HOMES will be retroactive to the effective date of the increase.

If the indicated action is a decrease in amount of payment, termination or suspension of assistance, the Advance Notice of Proposed Action must be mailed. (See Section 7. b.) The

reduced payment or nonpayment of assistance must be effective, AS SOON AS ADMINISTRATIVELY POSSIBLE, BUT no later than the second month following the month in which the change is reported. Example: A change is reported on July 26. The decrease will be effective September 1.

ACTION ON A REQUEST FOR AN INCREASE IN GRANT MUST BE TAKEN WITHIN 45 DAYS.

5. DECISION ON ELIGIBILITY

The ELIGIBILITY worker will make a recommendation on the case AS SOON AS ELIGIBILITY IS DETERMINED BUT MUST MAKE A RECOMMENDATION within the specified time standards.

The decision regarding eligibility is the responsibility of the local board. The superintendent/director is to take action if the local board does not act within the time limits or if circumstances require immediate action (*Code of Virginia*, Sections 63.1-109 and 63.1-113). If the superintendent/director takes action, the action is official, but an approved case must be presented at the next meeting for action on continuing eligibility.

For the following dispositions, board action is not required, but the reason for the decision must be recorded in the case record. These cases are recorded statistically as applications withdrawn and are reported to the Board.

a. Withdrawal

An applicant may voluntarily withdraw an application at any time. This may be done by a signed statement indicating the wish to withdraw the application or by verbal request. The Notice to Client of Action must be sent to confirm the applicant's decision to withdraw.

b. Inability to Locate

If reasonable efforts to locate the applicant are unsuccessful, the agency must include on the Notice to Client of Action the agency's attempts to locate him/her and request that he/ she contact the agency. If the applicant does not contact the agency so that a decision can be made within the time standard, the application will be considered withdrawn.

6. CASE ACTION

Case action is the formal agency action BY THE LOCAL BOARD OR SUPERINTENDENT/DIRECTOR on applications, redeterminations, and partial reviews.

- a. The approval of an application/REDETERMINATION establishes:
 - 1) the effective date of action;
 - 2) whether the grant is a money or vendor payment;
 - 3) designation of any payee (guardian, committee, personal representative, or vendor);
 - 4) person(s) eligible for assistance; AND
 - 5) the amount of assistance.
- b. The denial of an application establishes that eligibility does not exist or cannot be established on the date of the action.
- c. AFFIRMING THE pending STATUS of an application establishes that eligibility cannot be determined as of the date of the action.
- d. A change in payment establishes the effective date of the increase in payment, decrease in payment, or change of payee.
- e. THE DENIAL OF A REQUEST FOR AN INCREASE IN GRANT ESTABLISHES THAT ELIGIBILITY FOR THE INCREASED AMOUNT DOES NOT EXIST OR CANNOT BE DETERMINED.
- f. Suspension of the grant establishes the effective date for the suspension of the payment.
- g. Closure of the case establishes the effective date for ineligibility, requested closure, or inability to determine eligibility.

7. NOTIFICATION TO APPLICANT/RECIPIENT

a. Action on Application, Increase in Payment or Change Not Affecting Payment

Notice must be sent to the applicant/recipient on the Notice to Client of Action whenever:

- 1) action is taken to approve/deny an application;
- 2) an application is disposed of for reasons other than approval or denial (Section 5);
- 3) an application will not be approved or denied within 45 days;

- 4) action is taken to deny a request that the amount of assistance be increased;
- 5) action is taken to change the payee; **or**
- 6) action is taken to increase the amount of assistance including reinstating a suspended case. When the increase is or includes an OMO or time limited payment, the notice shall specify the reason for and period of time the payment will continue.

The notice shall be sent immediately following the case action or within the time standard for processing applications, as appropriate. See Part II for instructions for completing the Notice to Client of Action.

b. Termination, Suspension or Decrease in Amount of Assistance

1) Advance Notice

An Advance Notice of Proposed Action must be sent to the recipient to:

- a) terminate assistance when the case is determined to be ineligible, continued eligibility cannot be determined AFTER PAYMENT HAS BEEN SUSPENDED FOR ONE MONTH, or the client has requested assistance be discontinued;
- b) decrease the amount of assistance when changes in eligibility factors require a reduction in the grant; OR
- c) suspend the assistance payment when the ACR does not have a rate, a one-time payment will cause income to exceed need for a month, A CHANGE IN CIRCUMSTANCES RESULTS IN AN INABILITY TO VERIFY ELIGIBILITY FOR A MONTH, OR A RECIPIENT WHO IS REQUIRED TO APPLY FOR SSI HAS APPLIED BUT ACTION HAS NOT BEEN TAKEN ON THE SSI APPLICATION.

EXCEPT AS PROVIDED, the form must be mailed to the recipient at least 10 days (not counting the postmark date) before the action taken is effective. (In this context, effective means the first of the month for which the check is decreased or in cases of termination or suspension nonissuance of a check). EXCEPTION: The only exception to MAILING THE ADVANCE NOTICE AT LEAST 10 DAYS BEFORE THE ACTION IS EFFECTIVE is when a recipient requests termination of assistance. Termination will occur only when such request is made by written statement, signed and dated by the recipient. If the recipient fails to enter the date, the worker must enter the date such statement is received in the agency. The Advance Notice of Proposed Action form must be sent, but the check will not be written or if written will

be canceled. See Part II for instructions for completing the Advance Notice of Proposed Action.

2) Continuation of Assistance

Except as provided, the assistance payment must be written and mailed unchanged when the regular mailing date for checks occurs within the advance notice period.

EXCEPTIONS: When assistance is terminated or suspended for the following reasons, the check will be held. When assistance is being reduced for the same reasons, the reduced amount will be sent but a check for the difference between the new and old amounts must be written and held. The reasons are:

- a) the agency has factual information verifying the death of the recipient or of the payee.
- b) the agency has verified the recipient has been admitted to an ACR or an adult family care home with a lower rate or the rate in the home where he or she resides has been reduced.
- c) the recipient no longer resides in an ACR that has been authorized to operate or an approved adult family care home. NOTE: If the individual returns to an ACR that has been authorized to operate or an approved AFC, during the advance notice period, the check will be issued.

If the recipient notifies the agency within the advance notice period that the action is based on incorrect information, the check that was held will be mailed. If the recipient does not notify the agency the action is based on incorrect information, the check will be canceled.

1. ELIGIBILITY CRITERIA

To be eligible for the Auxiliary Grants (AG) Program, both nonfinancial and financial eligibility standards must be met. AG applicants/recipients will be members of one of three groups depending on their eligibility for Supplemental Security Income (SSI).

a. Individuals Who Have Not Applied for SSI

This group includes all individuals who have not applied for SSI. Individuals who apply for SSI will be members of group "b" or "c" when SSI eligibility is determined.

1) AG APPLICANTS

- a) If the applicant appears to meet SSI income standards, he or she must BE TOLD TO apply for SSI AND GIVEN 15 calendar days TO MAKE THE application. At the end of the 15 calendar days contact with SSA shall be made to determine if the individual has applied for SSI.
 - (1) If he or she has applied for SSI, the AG application will be held until an SSI decision is made.
 - (2) If he or she has not applied, the AG application will be denied.
 - (3) If the 15 days for making the SSI application ends during the month following the month of AG application, the agency may have to determine whether the individual met all AG eligibility criteria for the month the AG application was filed. EXAMPLE: The AG application is filed on February 27. The SSI application is filed March 7. If the individual is found eligible for SSI beginning with March, the agency will have to determine whether the individual meets AG eligibility requirements for February.
- b) If the individual does not appear to meet SSI income standards, eligibility for AG will be determined by the agency.

2) AG Recipients

When a recipient's situation changes so that eligibility for SSI appears to exist, the recipient must be told to apply for SSI and must be given 15 calendar days to make the application. A notice of proposed action to suspend the AG payment until a decision is made on the SSI application will be sent. At the end of the 15 calendar days, if confirmation of SSI application has not been received, contact with SSA shall be made to determine if the individual has applied for SSI. If he or she has not applied, an advance notice will be sent and the AG payment will be discontinued.

If the individual does not appear to meet SSI income standards, continuing AG eligibility will be determined by the agency.

b. SSI Eligible Individuals

Most individuals who are receiving SSI payments or whose SSI payments have been suspended will be automatically eligible for AG. Not eligible **are** individuals who are presumptively eligible for SSI. SSI status is verified from the SDX. If the individual is presumptively eligible according to the SDX, verify his or her status from the Social Security Administration (SSA).

c. Individuals Who Have Been Denied/Closed for SSI

This group includes individuals who have been denied/ closed for SSI because of income or other reasons. NOTE: Denied means SSA has taken official action on the application, not an unofficial denial.

1) Excess Income

If the SSI denial/closing was due to excess income, unless the individual's situation has changed so that eligibility for SSI appears to exist, eligibility for AG must be determined by the local agency. If the individual's situation has changed so that eligibility for SSI appears to exist, procedures in Section a.1) and 2) above are applicable.

2) Other Reasons

If the SSI case was closed or an SSI application was denied for any reason other than income, AG eligibility will not exist. The AG application must be denied or the AG grant must be discontinued. If SSI is granted as the result of an appeal, the AG application will be reinstated and approved if all other criteria are met.

If the denial or closing was more than a year ago, the individual should be evaluated to see if there has been a change in the situation. If there has been a change, the individual should be referred to SSI for an eligibility determination, but action on the application/case must be taken within the appropriate time standard.

2. NONFINANCIAL ELIGIBILITY

All individuals must meet the nonfinancial eligibility criteria that follow. That an individual meets or does not meet the nonfinancial eligibility requirements must be documented on the Worker's Evaluation of Assistance Unit and the Worker's Evaluation of Eligibility. If an AG applicant/recipient has been denied SSI or has had his or her SSI case closed because he or she does not meet the nonfinancial eligibility criteria for SSI, he or she is not eligible for AG.

a. Residence in a ~~Home for Adults~~ an Adult Care Residence or Adult Family Care Home

The APPLICANT/RECIPIENT must be residing in a ~~home for adults~~ adult care residence (ACR) that has been authorized to operate by the Virginia Department of Social Services or an approved adult family care home (AFC). Note: Individuals living in homes for adults that have been ruled by SSA to be institutions where SSI cannot be paid are not eligible for AG. The ACR or AFC provider shall not request or require the receipt of any money, gift, donation, or other consideration from or on behalf of an AG recipient as a condition of admission to or continued stay in the ACR or AFC.

1) "RESIDING IN"

a) An AG APPLICANT is "residing in" an ACR OR AFC IF:

- (1) HE OR SHE is living in the ACR OR AFC at the time of approval of the application; or
- (2) HE OR SHE lived in the ACR or AFC sometime during the period following the AG application but is not living there when action on the application is taken.

b) AN AG RECIPIENT IS "RESIDING IN" AN ACR OR AFC UNLESS:

- (1) HE OR SHE HAS BEEN ABSENT FOR 14 CONSECUTIVE DAYS;
- (2) HE OR SHE HAS BEEN DISCHARGED;
- (3) HE OR SHE HAS LEFT THE HOME WITHOUT PLANNING TO RETURN; OR
- (4) MEDICAL EVIDENCE INDICATES THE INDIVIDUAL WILL NOT BE RETURNING.

Verify residing in an ACR by telephone contact with the applicant/recipient at the home, a visit to the applicant/recipient at the home by a welfare/social services department employee, a statement from a department of social services worker for an applicant that placement was made at the address on the license, or a statement from an individual unconnected to the home that the applicant/recipient resides in the home. Verify residing in an AFC by a

statement from the Department of Social Services staff that placement was made with an approved provider.

2) "AUTHORIZED TO OPERATE"

An ACR is "authorized to operate" when:

- a) it is licensed by the Virginia Department of Social Services;
- b) it is in the license renewal process; ~~or~~
- c) it is operating while appealing ~~a~~ an adverse licensing decision; or
- d) it is operating during the licensing process for a change of ownership of an existing facility and timelines for license application and cost reporting have been met. An existing facility is authorized to operate during the first six months following a change in ownership as long as the new owner is fulfilling the licensure application and rate-setting requirements.

The local agency should verify that the ACR is authorized to operate. Verify by seeing the license or contacting the appropriate regional office to determine the home's ACR's status. The local agency shall continue to provide payments to eligible ACR residents as long as a), b), c), or d) above is met. AG payments shall cease to be made once the Commissioner of the Department of Social Services has denied renewal of a license or has revoked a current license, and a formal hearing has upheld the denial or revocation of the license. In this case, AG payments shall be discontinued 30 calendar days from the date of the Commissioner's final decision.

3) "APPROVED"

An AFC is "approved" when the social services staff of the local welfare/social services agency has determined that the home meets the required standards. Verify from the social services worker that the home has been approved.

b. Resident of the Locality

A person's residence in determining eligibility for an AG payment is the city or county within the state where the person last lived outside an institution or an adult family care home. An individual visiting in an area or there for another temporary purpose, such as hospitalization in a general hospital, is not considered to be living in the locality. An institution is defined as an establishment that provides treatment or services in addition to food and shelter. Institutions include jails, licensed ~~homes for adults~~ adult care residences, nursing homes, and institutions for tuberculosis, mental illness, or mental retardation. A patient in a general hospital is not considered to be living in an institution, therefore, residence remains the locality where the individual had residence prior to hospitalization.

Residency in the locality can be verified by agency records, court records, hospital records, written statement by a third party, or other appropriate means. NOTE: In some cases, residence will be based on intent to reside in the locality.

If the person does not have residence in a Virginia locality or it cannot be determined where the individual last resided, the locality where the home for adults is located IN WHICH THE INDIVIDUAL LIVES AT THE TIME OF APPLICATION will be responsible for determining initial and continuing eligibility and making the payment. Individuals placed in a home for adults in another state do not retain Virginia residency.

When two eligible individuals residing in a home for adults get married, the wife's case will be transferred to the locality carrying the husband's case.

If the application is filed in a locality where an individual does not have residence, the receiving agency shall immediately forward the application to the locality of residence. The date received in the original locality shall be on the application and will be the date of application used to determine eligibility in the locality of residence.

c. Categorical Relationship

The individual must be categorically related, that is, aged, blind, or disabled. If the individual is already eligible for (entitled to) Medicaid, Social Security, SSI, or Railroad Retirement because he or she is 65 or over or is 18 or over and is blind or disabled, categorical relationship is met.

If the individual is not eligible for any of the above and his or her income is below the SSI level, an SSI application must be filed. If the individual is not eligible for any of the above and his or her income is in excess of the SSI level or the AG application was filed before the effective date of any of the above, categorical relationship must be established.

1) Aged

Establish applicant is 65 or over by documentation, such as birth certificate, family bible, insurance policy, baptismal record, census record, marriage record, or child's birth certificate. If the applicant's birth certificate is not available, at least two other documents with information on age shall be used.

2) Blind

Establish that the applicant is legally blind. For procedures, see Chapter 3 of the Department for the Visually Handicapped Social Services Procedural Manual. Establish that the applicant is over 18 by using documents listed in 1).

3) Disabled

Establish that the applicant is disabled. Follow the instructions for the Medical History and Disability Report, Psychological/Psychiatric Supplement, and the General Authorization for Medical Information in PART II. Establish that the applicant is over 18 by using documents listed in 1).

If the individual is found eligible with a request for reexamination at a later date, the agency will maintain a tickler file or other system so new information may be submitted prior to the date requested.

d. Declaration of Citizenship or Alien Status

Medicaid policy in Volume XIII, Part I, Chapter A, Section a.3) is applicable to AG applicants and recipients. Any AG recipient who is not in compliance with this policy is not eligible for Medicaid.

e. Citizenship and Alienage

The individual must be a citizen of the United States, an alien lawfully admitted for permanent residence, or an alien permanently residing in the United States under color of law. When the individual is eligible for SSI, this requirement is met. Unless there is reason to question the applicant's statement, citizenship for a non-SSI individual is assumed if the application shows the individual's birthplace was in the United States, Guam, Puerto Rico, U.S. Virgin Islands, Northern Mariana Islands, American Samoa, or Swain's Island. Citizenship, if questionable, must be verified.

If the application shows the birthplace was not in any of the above for a non-SSI individual, citizenship or eligible alienage must be verified. Records verifying citizenship include birth certificates, voter registration cards, U.S. Passports, baptismal records showing birth in U.S., certificates of citizenship or naturalization, and Immigration and Naturalization Service (INS) forms I-179 or I-197. If this evidence is not available, a statement by a knowledgeable third party may be used to verify citizenship. This statement should include information that will establish citizenship, such as place of birth or persons from whom citizenship is derived.

The status of aliens must be documented. Individuals who meet the requirements include anyone:

- 1) who has an Alien Registration Receipt card (I-151 or AR-3a).
- 2) who has a Resident Alien card (I-551).
- 3) who has a Temporary Resident card (I-688) with Section 245A, 210, or 210A INA.

- 4) who has a Re-entry Permit (I-327).
- 5) who has a Refugee Travel Document (I-571).
- 6) who has an Arrival-Departure Record (I-94) with any of the following notations:
 - a) Section 207 INA;
 - b) Refugee;
 - c) Section 208 INA;
 - d) Asylum;
 - e) Section 243(h) INA; or
 - f) Cuban-Haitian Entrant.
- 7) who has an Arrival-Departure Record-Parole Edition (I-94) with any of the following notations:
 - a) Section 212(d)(5) INA;
 - b) Conditional Entry; or
 - c) Section 203(a)(7) INA.
- 8) who has a receipt from ~~Immigration and Naturalization Service~~ INS indicating a replacement has been requested for any document in items 1) through 7).
- 9) who has entered the United States prior to January 1, 1972, and continuously resided in the U.S. since entry. Accept client's statement as verification if no reason to doubt.
- 10) who is residing in the U.S. pursuant to an indefinite stay of deportation (I-94 with notation or immigration letter).
- 11) who is residing in the U.S. pursuant to an indefinite voluntary departure (I-94 with notation or immigration letter).
- 12) on whose behalf immigration has approved an immediate relative petition (I-94 with notation or I-210 letter).
- 13) for whom immigration has accepted a petition as "properly filed" for adjustment of status under Section 245 INA (I-181 or endorsed passport).

- 14) granted a stay of deportation by court order, statute or regulation, or pursuant to Section 106 INA (I-94, immigration letter, or court order).
- 15) granted voluntary departure pursuant to Section 242(b) INA if ~~Immigration and Naturalization Service (INS)~~ does not contemplate enforcing the departure (I-94 or I-210).
- 16) granted deferred action status pursuant to INS instructions (I-210).
- 17) residing in U.S. under order of supervision pursuant to Section 242 INA (I-220B).
- 18) granted suspension of deportation pursuant to Section 244 INA and INS does not contemplate enforcing the departure (Immigration judge order).
- 19) whose deportation has been withheld pursuant to Section 243(h) INA (Immigration judge order).
- 20) living in United States with the knowledge of INS and INS does not contemplate enforcing departure.

Individuals with other statuses may also meet the requirements. If the individual has no means of documenting that he or she is an alien lawfully admitted for permanent residence or an alien permanently residing in the U.S. under color of law, verification will be obtained from ~~Immigration and Naturalization~~ INS.

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f. ASSIGNMENT OF RIGHTS

Medicaid assignment of rights policy is applicable to AG applicants/recipients (Volume XIII, Part I, Chapter A, Section 5). If the individual does not comply with assignment of rights policy, eligibility for Medicaid does not exist.

g. HEALTH INSURANCE PREMIUM PAYMENT (HIPP) PROGRAM

Medicaid HIPP policy (Volume XIII, Part I, Chapter A, Section 6) is applicable to AG applicants and recipients. If an individual does not meet the HIPP requirements, the individual will remain eligible for AG but will not be eligible for Medicaid.

3. FINANCIAL ELIGIBILITY

Income and resources must be considered in determining whether an applicant/recipient is eligible for AG. If an AG applicant/recipient has been denied SSI or has had his or her SSI case closed because he or she does not meet the SSI financial eligibility criteria other than income, he or she is not eligible for AG.

Income and resources to be counted in determining financial eligibility will depend on whether the applicant/recipient for the purposes of AG is an individual or a member of a couple.

a. An individual is a person who:

- 1) DOES NOT HAVE A SPOUSE; or
- 2) has a spouse:
 - a) who does not live with the individual in the ACR or AFC and SSI does not consider them an ELIGIBLE couple.
 - b) who does not meet the nonfinancial AG eligibility requirements.
 - c) with whom he or she lives in a room in the ACR or AFC who meets the nonfinancial AG eligibility requirements, but ONE (BOTH) HAS (have) been in the home for more than 6 months; or
- 3) RECEIVES SSI AS AN INDIVIDUAL.

b. A couple is two people who are:

- 1) considered an eligible couple by SSI.
- 2) spouses who meet the nonfinancial eligibility requirements and SHARE a room AND NEITHER SPOUSE HAS BEEN IN THE ACR OR AFC FOR MORE THAN 6 MONTHS.

4. INCOME

a. Inclusions

Income is anything received by or considered available to the applicant/recipient that could be or is used to meet the person's needs in the ~~home for adults~~ ACR OR ADULT FAMILY CARE HOME. Note: The entitlement amount of unearned income is considered available. Income also includes benefits for which the individual is clearly entitled, even if the individual has chosen not to accept the benefit. Except as provided, all income counted by SSA in determining SSI grants will be counted in computing the AG grant. The exceptions are in Section b. 2). Income is either earned or unearned.

1) Earned Income

Earned income includes gross wages provided in exchange for work AND net earnings (profit) from self-employment. NOTE: IF TAXES ARE NOT BEING WITHHELD FOR AN INDIVIDUAL WORKING IN A SHELTERED WORKSHOP, HE OR SHE MAY BE IN A TRAINING PROGRAM AND ANY INCOME WOULD BE UNEARNED.

2) Unearned Income

Unearned income is income received for a reason other than payment for work OR SELF-EMPLOYMENT. It includes payment of care by a third party, the furnishing of all personal care needs, contributions, benefits, interest, dividends, and money from property, BUT DOES NOT INCLUDE LOANS THAT HAVE TO BE REPAYED.

b. Exclusions

1) The disregards for applicants/recipients with excess income for SSI are:

- a) for an individual or couple with unearned income BUT NO EARNED INCOME--DISREGARD \$20.00 a month unless the unearned income is BASED ON NEED.
- b) for an individual or couple with earned income and unearned income in excess of \$20.00--DISREGARD \$20.00 OF THE UNEARNED INCOME UNLESS THE UNEARNED INCOME IS BASED ON NEED, \$65.00 of the earned income, and 1/2 of the remainder of the earned income.
- c) for an individual or couple with earned income but less than \$20.00 unearned income--DISREGARD THE UNEARNED INCOME UNLESS IT IS BASED ON NEED, THE AMOUNT OF EARNED INCOME NEEDED TO ASSURE THAT A TOTAL OF \$85.00 HAS BEEN DISREGARDED, AND 1/2 of the remainder of the income.
- d) payments from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

- e) payments from Sections 25-239, 25-240, and 25-241 of the Code of Virginia for relocation assistance.
- f) compensation paid under Sections 404(g) and 418 of the Domestic Volunteer Service Act of 1973.
- g) nonexempted income received during the month of AG application and entrance into the ACR or AFC used or needed to pay obligations for expenses not related to the ACR or AFC incurred before entering the home. NOTE: The month of entrance into the ACR or AFC could be the month the home is licensed or approved if the individual was already there.
- h) payments other than wages or salaries paid under the Older Americans Act of 1965.
- i) infrequent (received no more than once during a calendar quarter from a single source) and/or irregular (unexpected) earned income of \$10.00 or less per month.
- j) infrequent (received no more than once during a calendar quarter from a single source) and/or irregular (unexpected) unearned income of \$20.00 or less per month.
- k) assistance provided by a government program for purchasing medical care or social services.
- l) Assistance provided by a nongovernmental program for purchasing medical care or social services.
- m) interest earned on exempted burial funds or exempted prepaid contracts for burial spaces as long as the interest is added to the fund or contract.
- n) the benefits received as the result of another person's death from a life insurance policy, SSA, VA, railroad retirement, inheritances, or cash to help with expenses related to the death, if the cash or benefits were paid on or are owed for the deceased individual's last illness and burial expenses.
- o) if the applicant/recipient has a spouse at home who has applied and because he or she is not aged, disabled, or blind is ineligible for SSI, the amount of the applicant's/recipient's nonexempted income necessary to increase the spouse's income to the appropriate Medicaid level (Appendix II) for one person at home will be disregarded.

- p) if the applicant/recipient has a spouse and/or minor children at home who have applied and are ineligible for ADC for a reason other than resources, the amount of the applicant's/ recipient's nonexempted income necessary to increase their income to the appropriate Medicaid level (Appendix II) will be disregarded.
 - q) payments from an "Agent Orange" settlement received after January 1, 1989.
- 2) The disregards for applicants/recipients who are SSI eligible (in addition to income disregarded by SSA in computing the SSI entitlement) are:
- a) nonexempt income received during the month of AG application and entrance into the ACR or AFC used or needed to pay obligations for expenses not related to the ACR or AFC incurred before entering the home. NOTE: The month of entrance into the ACR or AFC could be the month the home is licensed or approved if the individual was already there.
 - b) if the applicant/recipient has a spouse at home who has applied and because he or she is not aged, disabled, or blind is ineligible for SSI, the amount of the applicant's/recipient's nonexempted income necessary to increase the spouse's income to the appropriate Medicaid level (Appendix II) for one person at home will be disregarded.
 - c) If the applicant/recipient has a spouse and/or minor children at home who have applied and are ineligible for ADC for a reason other than resources, the amount of the applicant's/ recipient's nonexempted income necessary to increase their income to the appropriate Medicaid level (Appendix II) will be disregarded.
 - d) payments from Sections 25-239, 25-240, and 25-241 of the Code of Virginia for relocation assistance.
 - e) payments from an "Agent Orange" settlement received after January 1, 1989.

c. Verification

The following methods, which are divided according to SSI eligibility, will be used to verify income.

1) SSI Eligible Individuals

Since income has been verified by SSA in determining SSI eligibility, verify entitlement to SSI, the gross amount of SSI, and the amounts of net countable earned and unearned income from the SDX or the IEVS report. If an individual is not listed on an SDX or IEVS report or the SDX or IEVS report appears to be incorrect, use the

SSA-491TC to verify the individual's SSI amount and, if applicable, also verify the individual's countable earned and unearned income. If there is a discrepancy that cannot be resolved, contact the regional specialist. NOTE: If SSA recalculates the SSI amount for a prior period and determines the individual's SSI payment was incorrect, the correctness of the AG payment for the period must be determined using the recalculated SSI and countable earned and unearned income.

When an applicant states nonexempted income received during the month of the AG application and entry into the ACR or AFC has been used to pay previously incurred obligations for expenses not related to the ACR or AFC, the expenditure must be verified. Verification methods to determine that an expenditure was for prior expenses include receipts, cancelled checks, a written statement from the provider of the goods or service or other appropriate methods. If none of the above is available, the applicant's written statement will be used. Subtract the verified expenditures from the net countable income to determine the nonobligated income.

When an applicant states nonexempted income received during the month of AG application and entry into the ACR or AFC is needed to pay previously incurred obligations for expenses not related to the ACR or AFC, the obligation to pay must be verified. The obligation may be verified from bills, provider statements, or other appropriate means.

2) Individuals With Excess Income for SSI

When an individual has too much income to be eligible for SSI, the agency must determine if the individual's income is within the allowable AG limits. The following methods will be used to verify the amount of income considered available to the client.

a) Income for Obligations

When an applicant states nonexempted income received during the month of AG application and entry into the ACR or AFC has been used to pay previously incurred obligations for expenses not related to the ACR or AFC, the expenditure must be verified. Verification methods to determine that an expenditure was for prior expenses include receipts, cancelled checks, a written statement from the provider of the goods or service or other appropriate methods. If none of the above is available, the applicant's written statement will be used. Subtract the verified expenditures from the net countable income to determine the nonobligated income.

WHEN AN APPLICANT STATES NONEXEMPTED INCOME RECEIVED DURING THE MONTH OF AG APPLICATION AND ENTRY INTO THE ACR OR AFC IS NEEDED TO PAY PREVIOUSLY INCURRED OBLIGATIONS FOR EXPENSES NOT RELATED TO THE ACR OR AFC, THE OBLIGATION TO PAY MUST BE VERIFIED. THE OBLIGATION

MAY BE VERIFIED FROM BILLS, PROVIDER STATEMENTS, OR OTHER APPROPRIATE MEANS.

b) Amount of Income

(1) Earned Income

(a) Wages

Gross wages can be verified by pay stubs, an employer's signed written statement or other current written verification.

(b) Profit from Self-Employment

Profit is gross income minus the expenses of business, but does not include depreciation, purchase of or payment on capital assets, or net loss from previous periods. Gross income and business expenses may be verified from income tax records for the previous year or if income tax records are not available, the individual's current books or a statement from the Agriculture Stabilization and Conservation Service.

(2) Unearned Income

The FOLLOWING METHODS WILL BE USED TO VERIFY THE gross amount (entitlement) of unearned income:

(a) Contributions

A payment to or for the individual may be verified by receipts, cancelled checks or a written statement from the person making the contribution.

A contribution of all personal care items can be verified by a written statement signed by the provider.

(b) Social Security and Other Benefits

These benefits may be verified by the SDX, BENDEX, SSA-451TC, Medicaid CIDS, or documents in the individual's possession, such as award letters, notices, or benefit checks. Since Social Security, Railroad Retirement, and CIVIL SERVICE checks may have Medicare premiums deducted, these checks cannot be used as verification. If documents are not available, a written verification from the source may be used.

(c) Rental Property

The gross income received shall be verified by available documents or a written statement signed by the tenant. Any costs involved in renting the property shall be verified by available documents.

(d) Other Income

Any other income such as interest or dividends can be verified by documents in the individual's possession or a statement from the source, such as the bank or stockbroker. When the income is the result of benefits received as the result of another person's death from a life insurance policy, SSA, VA, railroad retirement, inheritances, or cash to help with expenses related to the death, the amount paid on or owed for the insured individual's last illness and burial expenses must be verified.

d. Income Calculation for Individuals with Excess Income for SSI

After the amount of income has been verified, it will be converted to a monthly figure to be used in determining whether exempt and for computing the grant.

1) Regular Income

Income that is received weekly, bi-weekly, or semi-monthly will be converted to a monthly figure by using the Conversion Chart (Part IV, Chapter B, Appendix V). Income received that covers more than one month will be divided by the months covered to get monthly income. EXAMPLE: Interest that is received quarterly will be divided by three to get monthly income.

2) Varying Income

Except for income from self-employment, an average for the three months prior to review or application will be computed and will then be converted to a monthly figure. Thus, if an individual has varying income, a partial review will be conducted every three months. If the income has been received for less than three months, compute an average of the amounts received.

3) Self-Employment Income

When an individual is self-employed, income for the previous year will be used to determine the monthly income to be used in calculating the grant.

4) One-Time Payments

A payment such as an insurance settlement or lump sum benefit unless exempt will be counted as income as soon as administratively possible, but no later than the second month after the payment is reported. NOTE: If income will exceed need for the month the income is counted, the grant will be suspended for that month.

5. Resources

Resources are cash and other liquid or nonliquid assets that the individual or couple owns that could be converted to cash to be used for the individual's support in the ACR or AFC. The individual must have the right, authority, or power to liquidate the asset. When a resource is liquidated, the cash received will be evaluated as a resource, not income. Example: A recipient owns an exempt life insurance policy which she cashes in. The money received is a resource, not income.

However, if the money is received because the insured has died, the money is income not a resource.

Liquid assets include cash and any financial instruments, such as bonds, stocks, prepaid funeral expenses, mutual funds, or promissory notes which are convertible to cash. NOTE: Pre-paid funeral expenses other than irrevocable trusts established by the applicant/recipient including principal and accumulated interest are available to the individual.

Nonliquid assets include real and personal property, such as trailers, motor vehicles, real estate, boats, insurance, livestock, household goods, and personal effects.

If an individual's nonexempted resources do not exceed **\$2,000**, the resource level is met. For a couple the resource level is **\$3,000**. If an applicant's/recipient's nonexempted resources cause ineligibility, the applicant/recipient must be notified in writing of the resources' current market values and the right to dispute the values.

If an applicant's nonexempted resources exceed the resource level on the first moment of the first day of the month of application, he or she is ineligible. He or she may be eligible the following month if resources are reduced below the limit during the month of application.

If a recipient's nonexempted resources exceed the resource level on the first moment of the first day of the month, eligibility **for the following month** does not exist. EXAMPLE: A recipient who has excess resources on April 1 will be ineligible May 1. If the excess resources are disposed of in April, the individual may be eligible for June 1.

a. Exempted Resources

Resources which shall be exempted in determining eligibility are:

- 1) The home that was occupied by the applicant/recipient prior to entering the ACR or AFC, if the spouse of the applicant/recipient or dependent relatives of the applicant/recipient also lived in the home and continue to live there. A home means the principal place of residence and includes all contiguous property and all buildings on the property. Contiguous property is defined as land that is not separated from the plot on which the house is located by property owned by others. NOTE: Streams and public rights-of-way do not affect the exemption.

Dependent relatives include children, grandchildren, stepchildren, parents, stepparents, grandparents, sisters, brothers, step and half sisters, step and half brothers, aunts, uncles, nieces, nephews, in-laws, and cousins. For dependency to exist, the relative must have needed support from the applicant/recipient.

- 2) Unless the value of household goods or personal effects makes the applicant/recipient ineligible, the home and household goods of an applicant/recipient who needs temporary care in a home for adults. "Temporary care" means the individual will be able to return to his or her home in six (6) months or less. The six months begins when the individual enters the ACR.
- 3) Burial spaces held for the applicant/recipient for use of the applicant/recipient, his or her spouse, or the applicant's/recipient's immediate family. Immediate family means children, stepchildren, brothers, sisters, parents, and any spouses of these individuals. Burial spaces include burial plots, headstones, contracts for care and maintenance of gravesites, markers, costs for opening and closing graves, vaults, urns, caskets, or other items used as a repository for remains. Held for means has title to an item, possesses an item, has a prepaid contract for an item, or has an installment contract that allows the individual to use the burial space item even though the contract has not been paid in full. Interest earned on and added to an exempted contract for burial spaces is exempt.
- 4) Except for items of unusual value, personal effects of the applicant/recipient.
- 5) Except for items of unusual value, household goods owned by the applicant/recipient.

- 6) A vehicle that is:
 - a) used by the applicant/recipient to obtain medical treatment;
 - b) used by the applicant/recipient for employment;
 - c) especially equipped for a disabled applicant/recipient; or
 - d) necessary because of climate, terrain, distance, or similar factors to provide necessary transportation to perform essential daily activities.
- 7) if no vehicle is used as provided in 6), \$4,500 of the trade-in value of a vehicle used for basic transportation.
- 8) up to \$6,000 equity in non-business income-producing real property(ies) owned by the applicant/recipient. To be income-producing, the property(ies) must usually have a net annual return that is:
 - a) 6% of the equity in each piece of property if the equity is \$6,000 or less; or
 - b) \$360 for each piece of property if the equity is more than \$6,000.

Exception: An unusual circumstance causes a temporary reduction in the net annual return and the net annual return is expected to meet the requirements the following year.

- 9) The cash surrender value of life insurance owned by an applicant/recipient when the total face value(s) is \$1,500 or less. NOTE: Neither term insurance nor burial insurance is included when determining the face value. Burial insurance means insurance that can only be used to pay burial expenses of the insured person.
- 10) Real property that is jointly owned when sale of the property would cause loss of housing for the other owner/owners.
- 11) Real property when reasonable efforts to sell have been unsuccessful.
- 12) For one month following the month of receipt benefits received as the result of another person's death from a life insurance policy, SSA, VA, railroad retirement, inheritances, or cash to help with expenses related to the death, if the cash or benefits are owed for the deceased individual's last illness and burial expenses.
- 13) If kept separate from other resources:
 - a) payments from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

- b) payments from Sections 25-239, 25-240, and 25-241 of the Code of Virginia for relocation assistance.
- c) payments from Sections 404(g) and 418 of the Domestic Volunteer Service Act of 1973.
- d) retroactive supplemental security income and/or retroactive social security payments for **6** months after the month of receipt of the payment(s).
Retroactive payments are payments issued more than one month after the month for which they are paid.
- e) up to \$1,500 burial funds for the applicant/recipient and \$1,500 burial funds for his or her spouse. **Burial funds are resources that have been designated for cremation/burial expenses. Burial expenses include transportation of the body, embalming, flowers, services of the funeral director and staff, and clothing.**
 - (1) Resources that may be designated as burial funds are:
 - (a) revocable burial contracts;
 - (b) revocable burial trusts;
 - (c) other revocable burial arrangements;
 - (d) funds paid on a contract for nonexempted burial spaces;
 - (e) cash;
 - (f) financial accounts such as saving or checking accounts; and
 - (g) other financial instruments with a definite cash value such as stocks, bonds, certificates of deposit, cash value of life insurance, and cash value of dividends added to a life insurance policy.
 - (2) The amount of burial funds that can be exempted for each individual is \$1,500 minus the following:
 - (a) the face value of life insurance exempted under section 5.a.9). The life insurance could be owned by the applicant/recipient and/or the spouse.
 - (b) burial insurance.

- (c) the principal of an irrevocable burial arrangement for burial expenses. NOTE: An irrevocable arrangement for burial spaces is not subtracted.

Interest earned on exempted burial funds when left to accumulate is also exempt.

- f) cash received from a governmental or nongovernmental program to purchase medical care or social services for one month after the month of receipt.
- g) payments from an "Agent Orange" settlement received after January 1, 1989.

b. Verification - SSI Eligible Individuals

Resources have been verified by SSA. Therefore, AG resource requirements are met and resources are not to be reverified.

c. Verification - Individuals With Excess Income for SSI

The local agency determines if the individual's resources are within the allowable AG limits. The following methods will be used to verify the value and availability of resources.

1) Availability of Resources

Assets will be considered as available to the applicant/recipient until evidence indicates they are not.

When there is a question as to whether an asset or the applicant's/recipient's share of the asset can be liquidated, the information obtained about the situation shall be sent to the Eligibility Specialist in the regional office. If the applicant/recipient can take an action that would allow the property or his/her share to be liquidated, the resource is available and is to be counted unless exempt.

The availability of assets must be reviewed when a change in availability is expected and at each redetermination, since the ability to liquidate can change.

2) Value of Resources

The following methods are used to determine the value of resources when calculating whether an applicant's/recipient's nonexempted resources are below the resource level.

a) Burial Spaces/Burial Funds

(1) Burial Spaces

- (a) Verify whether burial spaces are being held for the applicant/recipient from a prepaid contract, title to burial plot, or applicant's/recipient's statement, as appropriate. If the burial spaces can not be identified or the value can not be verified, burial spaces are not being held for the applicant/recipient.
- (b) Verify in writing from the applicant/recipient by whom the burial spaces will be used.
- (c) Determine if burial spaces are exempt.
- (d) If burial spaces are not exempt, determine the current market value using an appropriate method such as contact with funeral director, cemetery owner, etc. Note: If the value determined causes ineligibility the applicant/recipient can dispute the value and has a right to provide information documenting the value. This information must be in writing and must identify the source.

(2) Burial Funds

- (a) If funds are clearly designated, verify the amount, where set aside, for whom the funds are to be used, and whether any items that can be exempted as burial spaces are included.
- (b) If an asset which is not clearly designated for **burial expenses** would make an applicant/recipient ineligible for AG, determine if the applicant/recipient does intend to use this asset only for **burial expenses**. If yes, have the individual sign a statement specifying the asset is for **burial expenses** and will be used only for that purpose. Advise the individual to set up within 30 days a separate designated account for the funds.
- (c) Determine the amount of the funds that can be exempted. EXAMPLE: Mrs. Aster has a life insurance policy with a face value of \$1,000. She also has \$1,600 on deposit with a funeral home for her burial. Since \$350 of the money on deposit is for a casket and \$150 is for opening and closing the grave, \$500 is exempt as burial spaces. \$500 (\$1,500 minus \$1,000 face value of insurance) of the money on deposit with the funeral home can be exempted as a burial fund. Therefore \$600 of the funds will be counted as a nonexempted resource.

b) Bank Accounts

All the funds in a bank account will be considered as available to the applicant/recipient unless he or she can prove the funds are not available or are not owned by him/her. Bank clearances, statement of account, or other appropriate methods will be used to verify the value and ownership. If a bank clearance is used, the balance verified is the amount in the account at the close of the last business day of the previous month.

c) Other Liquid Assets

Verify the ownership and value by the appropriate method, such as documents in the applicant's/ recipient's possession, a statement from a stockbroker, or a statement from the applicant/ recipient for cash on hand.

d) Real Property

(1) Ownership

Verify ownership, including life interests through county/city records.

(a) When a spouse who was the sole owner died without a will after June 27, 1956, and there were no children, the surviving spouse owns the property.

(b) When a spouse who was the sole owner died without a will after June 27, 1956, and before July 1, 1977, and there were children, the dower or curtesy interest in the real property inherited by a surviving spouse is a 1/3 life interest.

(c) When a spouse who was the sole owner died without a will after June 30, 1977, and before July 1, 1982, and there were children, the surviving spouse owns 1/3 of the property.

(d) When a spouse who was the sole owner died without a will after June 30, 1982, the surviving spouse owns the entire property, unless there are children of the deceased spouse who are not children of the surviving spouse. If there are children, the surviving spouse owns 1/3 of the property.

(2) The Home

If the home could be exempt because a spouse lives there, verify the relationship and prior living arrangement by statements from the spouse and applicant/recipient.

If the home could be exempt because a dependent relative lives there, verify the relationship, prior living arrangement, and dependency by statements from the applicant/recipient and relative.

If the home could be exempt because the applicant/recipient is receiving temporary care, obtain a statement in writing from the individual's doctor confirming the need for "temporary care."

(3) Current Market Value

- (a) For real property other than the exempted home, including life/remainder interests, use the assessed value to determine the current market value of the property. If assessed value is not based on 100% of market value, make whatever calculation is necessary to convert the assessed value to the market value.
- (b) If the current market value established for a life/remainder interest or other non-home real property causes ineligibility, the applicant/recipient can dispute the value and has a right to provide information documenting the value of the property or life/remainder interest. This information may be from a real estate agent, a bank, or other knowledgeable source. The information shall be written and signed and must identify the source.

(4) Equity

For real property other than the exempted home, including life/remainder interests, obtain a statement of the legal debt (mortgage, liens, loans, purchase contracts, etc.) on the property. Determine the equity by subtracting the debt from the current market value of the property. If property is jointly owned, determine the applicant's/recipient's share of the equity. Except as specified in sections (5), (6), (7) and (8) the equity is counted toward the resource limit.

(5) Life/Remainder Interests

The owner of a life estate (the individual who has the life right) has the right of possession, the right to use the property, the right to obtain profits from the property, and the right to sell his or her life interest unless the contract restrains one or more of these rights.

When an individual will own a piece of property upon the death of the person with a life interest, the individual has a remainder interest. The owner of a remainder interest will have full title to the property when the person owning the life interest dies. Unless there is a restriction which

prohibits the remainderman (the person with the remainder interest) from selling the property while the individual with the life interest is alive, the value of the remainder interest is available.

The value of a life or remainder interest is computed using the instructions and charts in Appendix I. Unless the property is income-producing or a lesser value is verified, the value computed is the current market value of the life/remainder interest.

(6) Income-Producing Property

To establish if property is income-producing, verify the income received and determine:

- (a) if the equity or the life/remainder interest is \$6,000 or less, whether the income is 6% of the equity or the life/remainder interest.
- (b) if the equity or life/remainder interest is more than \$6,000, determine whether the income is at least \$360.

If the income is less than required, determine whether an unusual circumstance caused the net annual return to be reduced and whether the usual income would make the property income-producing. If the property is income-producing and the equity or the life/remainder interest is under \$6000, the property is exempt. If the property is income-producing and the equity or the life/remainder interest is over \$6000, the amount in excess of \$6000 is counted toward the resource level. If not income-producing because (a) or (b) is not met and there are no unusual circumstances, the equity or the life/remainder interest is counted toward the resource level.

(7) Jointly Owned Property

When the value of jointly owned real property would cause ineligibility for AG but the sale of the property would result in the loss of housing for the other owner(s), the property will be exempted as a resource when appropriate documentation is received from the other owner(s). The documentation must be a notarized statement specifying that sale of the property would result in the loss of his/her principal place of residence and that he or she does not have another home that is legally available for him/her to occupy. At each redetermination a new statement must be obtained.

(8) Reasonable Effort To Sell

When the value of real property would cause ineligibility but a reasonable effort to sell is being made by the owner, the property will be exempted. For the effort to be reasonable the owner must:

- (a) agree in writing to sell the property. The agreement (See Part II for the form) must be signed prior to approval of the application or the continued provision of assistance.
- (b) within 30 days of signing the agreement unless he or she has good cause:
 - (i) list the property with a real estate agent with gaps of no more than a week **or**
 - (ii) begin to sell the property privately with gaps of no more than a week. He or she must:
 - where permitted put a "For Sale" sign on the property.
 - begin to advertise in at least one of the local media.
 - conduct "open houses" or show property to interested parties on a continuous basis.
 - attempt any other appropriate methods of sale.

To have good cause, circumstances beyond the owner's control must prevent him/her from taking required action.

- (c) provide information on offers to buy and not decline any reasonable offer to buy the property. A reasonable offer is two-thirds or more of the current market value.
- (d) provide documentation every two months that reasonable efforts to sell continue.

e) Motor Vehicle

- (1) If the applicant/recipient owns one vehicle and the vehicle is used as provided in Section 5. a.6), obtain a statement from the applicant/recipient verifying the use. The value does not have to be verified.

If not so used or equipped, verify trade-in value of the vehicle from NADA appraisal guides and count the value in excess of \$4,500. If not

in NADA, use value determined for personal property tax. If the individual disagrees with the value determined by the agency, he or she may provide a statement from a dealer to substantiate the value.

- (2) If the applicant/recipient owns more than one vehicle, the equity in the nonexempt vehicle is counted as a resource. Equity is determined by subtracting the amount owed from the trade-in value.

f) Life Insurance

If the total face value of life insurance policies owned by the applicant/recipient is more than \$1,500, verify the cash surrender value from the policy or if the information is not obtainable from the policy, contact the insurance company. If there is a loan on the policy, the cash surrender value must be verified by the company. When information obtained in determining eligibility indicates an assignment of a policy to another individual, the agency must have verification in writing from the insurance company:

- (1) that an assignment of the policy has been made;
- (2) the name and address of the person receiving the assignment (assignee); and
- (3) the amount of the cash value that is included in the assignment.

If an assignment does exist, the agency must determine by a written statement from the assignee whether he or she is willing for the policy to be cashed. If the assignee is willing, the whole cash value will be available as a resource to the applicant/ recipient. If the assignee is not willing to have the policy cashed, **the amount of the cash value included in the assignment will not be available as a resource to the applicant/ recipient.**

g) Household Goods and Personal Effects

Any individual item of household goods or personal effects that the applicant/recipient declares has a fair market value of more than \$500 (except for an engagement ring, wedding ring, or items required by an individual's medical or physical condition) is considered an item of unusual value. An item is a stamp collection, a suite of furniture, a set of china or silverware, a piano, a painting, an Oriental rug, etc. If the individual's nonexempted resources do not exceed the resource level, items of unusual value must be evaluated to determine if the fair market value is a countable resource.

- (1) If an applicant/recipient indicates he or she has no items of unusual value or one item with a fair market value of \$1,000 or less, household goods and personal effects will not affect eligibility.
 - (2) If an applicant/recipient indicates he or she has one or more items of unusual value with a total fair market value of more than \$1,000, add the amount of the fair market value in excess of \$1,000 to the value of other nonexempt resources.
 - (a) If the individual or couple is not over the resource level, household goods and personal effects will not affect eligibility.
 - (b) If the individual or couple is over the resource level, the fair market value and equity must be established for the items of unusual value and any other household goods or personal effects with a significant resale value, such as furniture, major appliances, jewelry, carpets. The fair market value may be established by a statement from a third party with knowledge of the value of the item being evaluated. How the third party determined the value must be documented in the case record. Equity must be established by subtracting the amount owed as a legal debt from the fair market value. The amount owed as a legal debt will be determined from payment books, statements, or by other appropriate methods. If the total equity exceeds \$2,000, the amount over \$2,000 will be counted as a nonexempt resource.
- j) Other Nonliquid Assets
- (1) The value of the applicant's/recipient's share of some personal property may be documented from the tax assessor's records. In most localities personal property records include trailers, boats, and farm machinery. If the value cannot be obtained or is disputed, a statement from a person having knowledge of the value may be used. If this is also unavailable, use the applicant's/ recipient's statement of the value.
 - (2) Determine the amount owed as a legal debt by the applicant/recipient by payment books, statements, or other applicable sources. For a loan to be a legal debt, the agreement to repay must be legally binding under state law.
 - (3) Determine the equity by subtracting the amount owed from the value.

6. ESTABLISHING ELIGIBILITY

All eligibility criteria shall be verified and documented on the Worker's Evaluation of Eligibility (032-03-161/1) and the Evaluation of Assistance Unit (032-03-002/1). Include the information verified, the date verified, how verified, and whether a resource or income is exempt in determining eligibility.

If an applicant/recipient is unable to furnish the needed verification and refuses to permit the worker to seek the necessary verification, the worker will advise the:

- a. applicant that eligibility cannot be established and the application will be denied. The Notice to Client of Action must be sent and the case record documented to reflect attempts made to obtain verification. Copies of all applicable correspondence must be in the case record.
- b. recipient that continuing eligibility cannot be established and that the case will be closed. The Advance Notice of Proposed Action must be sent. The necessity for this action must be documented in the case record.

See Chapter B, Section 7, for notification procedures.

7. COMPUTING GRANT

a. Need

The "Institutional" section of the Assistance Plan is used to compute need. The rate for the ~~home for adults (ACR) or adult family care home (AFC)~~ plus the personal care allowance equals need.

1) Personal Care Allowance

The personal care allowance is ~~\$40~~ \$57 per month (effective January 1, 2000), unless the eligible individual leaves the ACR or AFC prior to approval of the application. If the individual leaves the ACR or AFC prior to approval of the application, the personal care allowance is not included in determining need.

2) Rate

The rate for ~~a home for adults~~ an ACR will be the minimum rate (~~\$517~~) or a rate above the minimum established by the State Department of Social Services unless the resident agreement specifies an amount that is less than the rate established by the State Department of Social Services. The rate for an adult family care home, which cannot exceed the maximum established by the State Department of Social Services, is negotiated by the local department of social services.

A rate above the minimum for an ACR shall be verified from the rate listing found in the VDSS MAPPER system or the rate letter. The rate for an adult family care home shall be verified from the agreement between the ~~AFCH~~ AFC and the local department. The rate and how it was verified must be specified on the worker's evaluation of eligibility.

a) ACR With Minimum Rate

If an individual's countable income does not exceed the minimum rate plus the personal care allowance, process using the minimum rate. If an individual has countable income in excess of the minimum rate plus the personal care allowance, the following procedures are applicable:

(1) New Applications

Until a rate above the minimum is established, an application for an individual who meets all other eligibility criteria and either (a) or (b) below will be held pending.

- (a) The home has been licensed less than 5 months. The date the original (annual or conditional) license was issued must be verified by staff of the Division of Licensing Programs.
- (b) The home has been licensed more than 5 months and has submitted cost information to the Division of ~~Financial Management~~ Finance, but has not yet received a rate. The date the original (annual or conditional) license was issued must be verified by staff of the Division of Licensing Programs. The submission of the cost information must be verified by the Division of ~~Financial Management~~ Finance.

If the requirements of (a) or (b) are not met, the application will be processed using the minimum rate.

2) Ongoing Cases

Until a rate above the minimum has been established, the grants of AG recipients who meet either (a) or (b) below will be suspended.

- (a) The home has been licensed less than 5 months. The date the original (annual or conditional) license was issued must be verified by staff of the Division of Licensing Programs.
- (b) The home has been licensed more than 5 months and has submitted cost information to the Division of ~~Financial Management~~ Finance

but has not yet received a rate. The date the original (annual or conditional) license was issued must be verified by staff of the Division of Licensing Programs. The submission of the cost information must be verified by the Division of ~~Financial Management~~ Finance.

If the requirements of (a) or (b) are not met, continuing eligibility will be determined using the minimum rate.

b) ACR with a Rate above the Minimum

When a ACR changes location or changes ownership, the rate may be reduced to the minimum rate. The eligibility worker may verify through the computer rate file the rate to use to determine eligibility for AG recipients in an ACR that has changed location or ownership. The eligibility worker may follow-up within 120 days following the change of ownership to verify if the rate needs to be reduced. The reduction to the minimum rate must be verified by the Division of ~~Financial Management~~ Finance. If a recipient has countable income in excess of the minimum rate plus the personal care allowance, the grant will be suspended (after required notification). If an applicant has countable income in excess of the minimum rate plus the personal care allowance, the application will be held pending.

If it has been more than five months since the rate was reduced to the minimum rate and a rate above the minimum has not been established, the Division of ~~Financial Management~~ Finance must be contacted to verify if a cost report was submitted during the five months. If a cost report was not submitted, need will be determined using the minimum rate. If a cost report was submitted, need will be determined when the rate is received.

3) Computation of Need

- a) If an individual enters a ACR or AFC after the first of the month, need is computed by adding the full personal care allowance to the prorated rate for that portion of the month. NOTE: To compute the prorated rate divide the monthly rate by 30 to obtain the daily rate. Then multiply the daily rate by the number of days the client resided in the home. The number of days includes the day of entry but not discharge. EXAMPLE: Mrs. Apple, an aged SSI recipient, enters ~~ABC Home for Adults~~ Adult Care Residence on October 20 and applies for AG on October 24. The daily rate of \$20 is computed by dividing the monthly rate of \$600 by 30 days. Since Mrs. Apple was there 12 days in October, the prorated rate is \$240 (12 x \$20) plus ~~\$40~~ \$57 personal care allowance or ~~\$280~~ \$297 total need for the month of October.

- b) If an individual is not in an ACR or AFC when a pending application is approved, need is computed using the prorated share for the period and does not include a personal care allowance. EXAMPLE: Mr. Banana applied for AG on July 16 after being admitted to the DEF ~~Home for Adults~~ Adult Care Residence on July 12. On July 31 before his AG case was approved, he left the home. The daily rate of \$19 is obtained by dividing the monthly rate of \$570 by 30. Since Mr. Banana was in the home 19 days prior to his departure, the total need for the period is \$361 (19 x \$19).
- c) Unless the rate in the second home is higher, an individual receiving AG who leaves a home for adults or adult family care home and enters another ACR or AFC during the month is not eligible for supplemental funds. If the new home's rate is higher, the ongoing grant amount is computed for the new home and any difference between the old grant amount and the new grant amount is prorated to determine the supplemental amount payable to the recipient. EXAMPLE: Ms. Cranberry leaves GHI ~~home for adults~~ Adult Care Residence on May 22 and enters JKL ACR. The approved rate at GHI is \$550, while at JKL it is \$600. Since Ms. Cranberry's countable income is \$500 a month, her grant at GHI was **\$90** a month. At JKL she will be eligible for **\$140** a month. **\$140** minus **\$90** is \$50. Therefore, she will receive a supplemental check of \$17 (\$50 divided by 30 times 10).

b. Nonexempted Income

1) SSI Eligible

a) Individual

From the SDX OR SSA-451TC (when the information is not available on any SDX) enter on the Assistance Plan (AP) the amount of SSI entitlement and the countable (chargeable) earned and unearned income. Compute the total income. If the individual has a spouse or minor children at home for whom income can be allotted or obligated income, use Section II.C. of the AP to compute the nonexempted income by subtracting any additional exempted income from the total income.

b) Couple

Enter the SSI entitlement and the countable (chargeable) earned and unearned income from the SDX or SSA-451TC, as appropriate, on the AP. Compute the total income. Use Section II.C. To compute each spouse's nonexempt income by dividing the total income by two.

2) Individuals With Excess Income

a) Individual

Enter the verified income in Section II.A. of the AP. Enter exempt income.
Compute the total income.

b) Couple

Enter the verified income in Section II.A. of the AP. Enter exempt income.
Compute the total income. Use Section II.C. to divide the total income by two
to get each spouse's nonexempt income.

c. Net Countable Income

When the applicant/recipient does not have a committee or guardian who receives a fee established by the court for administering the client's funds, the nonexempt income obtained by following the procedures above is the net countable income used in Section III of the AP to compute the grant.

When the individual has a guardian/committee WHO RECEIVES A FEE ESTABLISHED BY THE COURT, a statement from the guardian/committee will be obtained indicating the monthly amount and source of funds managed for the applicant/recipient and whether the guardian will handle the AG payment. A COPY OF THE COURT ORDER SHOULD BE ATTACHED. The procedures used to determine the income counted in the grant computation will depend on the information included in the statement. The back of the assistance plan will be used to show any of the following computations. A reference to these computations shall be in Section II.C. of the AP.

- 1) If the court order established a specific amount for the fee, subtract the amount from the applicant's/recipient's nonexempted income to determine the net countable income. EXAMPLE: Ms. Ash receives \$500 a month SSA. The court order specified Mr. Birch would receive \$10 a month for handling Ms. Ash's SSA. To obtain the net countable income:

\$480	Nonexempted Income
<u>-\$10</u>	Fee
\$470	Net Countable Income

NOTE: When a specific fee has been set, this procedure is applicable whether the committee does/does not handle the AG payment.

- 2) If the guardian/committee will not handle the AG payment and the court order specifies the fee is a percent of the funds handled, compute the specific amount of the fee and subtract from the applicant's/ recipient's nonexempt income to obtain the net countable income. EXAMPLE: Mr. Cedar receives \$350 a month SSA and \$150 a month from a retirement pension. The court order specifies Ms. Dogwood will

receive a 5% fee for handling Mr. Cedar's retirement pension. To obtain the net countable income:

Step I:

\$150	Retirement Pension
<u>x5%</u>	Percent for Fee
\$7.50	Fee

Step II:

\$480.00	Nonexempted Income
<u>-\$7.50</u>	Fee
\$472.50	Net Countable Income

- 3) When the guardian/committee will handle the AG payment and the fee is a percent of the funds handled, the amount for the fee will be computed as follows:
- a) determine the fee for the funds, except for the AG payment, that are handled by the committee;
 - b) subtract the fee computed in a) from the applicant's/recipient's nonexempted income to get the income available for care;
 - c) subtract the available income from the need to determine the additional funds required to pay for his/her care;
 - d) determine the fee for handling the amount computed in c); and
 - e) total the fees obtained in steps a) and d) and subtract them from the applicant's/recipient's nonexempted income to determine the net countable income.

EXAMPLE I: Ms. Elm who resides in XYZ ~~Home for Adults~~ Adult Care Residence receives \$500 a month SSA. Her care costs \$615 a month. Her guardian Ms. Fir will receive a 5% fee for handling the SSA and AG payment. To obtain the net countable income:

Step I:

\$ 500	SSA
<u>x5%</u>	Percent for Fee
\$25.00	Fee

Step II:

\$480	Nonexempted Income
<u>-\$25</u>	Fee
\$455	Available Income

Step III:

\$655	Need (Personal Care Allowance + Home Rate)
<u>-\$455</u>	Available Income
\$200	Additional Funds Required

Step IV:

\$ 200	Additional Funds Required
<u>x5%</u>	Percent for Fee
\$10.00	Fee

Step V:

\$25.00	Fee	\$480	Nonexempted Income
<u>+\$10.00</u>	Fee	<u>-\$35</u>	Total Fee
\$35.00	Total Fee	\$445	Net Countable Income

EXAMPLE II: Mr. Ginkgo also resides in XYZ home where his care costs \$615 a month. He receives \$350 a month SSA and \$150 a month from a pension. Mr. Hemlock, his committee, handles the pension and will also handle the AG payment for a 5% fee. To obtain the net countable income:

Step I:

\$ 150	Pension
<u>x5%</u>	Percent for Fee
\$7.50	Fee

Step II:

\$480.00	Nonexempted Income
<u>-\$7.50</u>	Fee
\$472.50	Available Income

Step III:

\$655.00	Need (Personal Care Allowance + Home Rate)
<u>-472.50</u>	Available Income

\$182.50 Additional Funds Required

Step IV:

\$182.50	Additional Funds Required
<u>x5%</u>	Percent for Fee
\$ 9.125	Fee

Step V:

\$ 7.50	Fee	\$480.00	Nonexempted Income
<u>+\$9.13</u>	Fee	<u>-\$16.63</u>	Total Fee
\$16.63	Total Fee	\$463.37	Net Countable Income

After the amount allowed for the fee has been determined, the guardian/committee shall be notified of the amount of the fee allowed in computing the AG grant and that the fee is based on the funds he is managing for the recipient.

d. Grant Computation

Use Section III of the AP to compute the grant. The applicant's/recipient's deficit or surplus is the difference between the applicant's/recipient's need and income (net countable income).

The grant amount is the deficit adjusted to the nearest dollar. Therefore, deficits from \$.01 through \$.49 should be adjusted to the next lowest dollar; from \$.50 through \$.99 to the next highest dollar.

Example:

- 1) If deficiency = \$64.45, then
 payment = \$64.00
- 2) If deficiency = \$64.56, then
 payment = \$65.00

When the budgetary deficiency is \$.49 or less, no payment is to be made since a payment of less than \$1.00 shall not be issued.

8. MEDICAID ENROLLMENT

A recipient of AG or an individual with a deficit of 494 or less who is not eligible for a payment is eligible for Medicaid unless the individual does not comply with the assignment of rights,

declaration of citizenship/alien status, **or HIPP** requirements. The individual shall be enrolled in Medicaid following appropriate procedures. An applicant for AG may be eligible for Medicaid for the period prior to AG application or during the period the AG case is held pending waiting for establishment of a rate. If the applicant meets Medicaid criteria, he will be enrolled and carried as a Medicaid case until AG eligibility is determined. If the AG application is denied, eligibility for Medicaid must be determined. If the AG case is closed, continuing eligibility for Medicaid must be determined. If the individual is not eligible for Medicaid, the Medicaid case must also be closed.


Note: When action is taken on Medicaid eligibility, the individual must be sent appropriate notice.

APPENDIX I
LIFE ESTATE AND REMAINDER INTEREST TABLES

EXPLANATION: These tables are to be used to establish the value of property subject to a life interest.

- (1) FOLLOW THE PROCEDURES IN SECTION 5.c.2)d) (5) TO DETERMINE THE EQUITY.
- (2) Find the line for the individual's age as of the last birthday IN THE TABLE.
- (3) Multiply the figure in the life estate column by the current EQUITY IN the property to obtain the value of the life estate.
- (4) If ownership is a dower or curtesy interest, divide by three to obtain the value.
- (5) If the life estate is shared among two or more individuals, divide the EQUITY value by the number of individuals involved, then follow (2) through (5).

If an individual owns property subject to the life interest of another person, the value can be calculated using the remainder column on the chart FOR THE AGE OF THE INDIVIDUAL WITH THE LIFE INTEREST.

LIFE ESTATE AND REMAINDER INTEREST TABLE


	Life Estate	Remainder	Age	Life Estate	Remainder
	.97188	.02812	55	.80046	.19954
1	.98988	.01012	56	.79006	.20994
2	.99017	.00983	57	.77931	.22069
3	.99008	.00992	58	.76822	.23178
4	.98981	.01019	59	.75675	.24325
5	.98938	.01062	60	.74491	.25509
6	.98884	.01116	61	.73267	.26733
7	.98822	.01178	62	.72002	.27998
8	.98748	.01252	63	.70696	.29304
9	.98663	.01337	64	.69352	.30648
10	.98565	.01435	65	.67970	.32030
11	.98453	.01547	66	.66551	.33449
12	.98329	.01671	67	.65352	.34902
13	.98198	.01802	68	.63610	.36390
14	.98066	.01934	69	.62086	.37914
15	.97937	.02063	70	.60522	.39478
16	.97815	.02185	71	.58914	.41086
17	.97700	.02300	72	.57261	.42739
18	.97590	.02410	73	.55571	.44429
19	.97480	.02520	74	.53862	.46138
20	.97365	.02635	75	.52149	.47851
21	.97245	.02755	76	.50441	.49559
22	.97120	.02880	77	.48742	.51258
23	.96986	.03014	78	.47049	.52951
24	.96841	.03159	79	.45357	.54643
25	.96678	.03322	80	.43659	.56341
26	.96495	.03505	81	.41967	.58033
27	.96290	.03710	82	.40295	.59705
28	.96062	.03938	83	.38642	.61358
29	.95813	.04187	84	.36998	.63002
30	.95543	.04457	85	.35359	.64641
31	.95254	.04746	86	.33764	.66236
32	.94942	.05058	87	.32262	.67738
33	.94608	.05392	88	.30859	.69141
34	.94250	.05750	89	.29526	.70474
35	.93868	.06132	90	.28221	.71779
36	.93460	.06540	91	.26955	.73045
37	.93026	.06974	92	.25771	.74229
38	.92567	.07433	93	.24692	.75308
39	.92083	.07917	94	.23728	.76272
40	.91571	.08429	95	.22887	.77113
41	.91030	.08970	96	.22181	.77819
42	.90457	.09543	97	.21550	.78450
43	.89855	.10145	98	.21000	.79000
44	.89221	.10779	99	.20486	.79514
45	.88558	.11442	100	.19975	.80025
46	.87863	.12137	101	.19532	.80468
47	.87137	.12863	102	.19054	.80946
48	.86374	.13626	103	.18437	.81563
49	.85578	.14422	104	.17856	.82144
50	.84743	.15257	105	.16962	.83038
51	.83674	.16126	106	.15488	.84512
52	.82969	.17031	107	.13409	.86591
53	.82028	.17972	108	.10068	.89932
54	.81054	.18946	109	.04545	.95455

**APPENDIX II
MEDICAID LEVELS**

	Group I	Group II	Group III
<u>No. of Persons in Family Unit</u>	<u>Annual Income</u>	<u>Annual Income</u>	<u>Annual Income</u>
1	\$2600	\$3000	\$3900
2	3400	3700	4800
3	3900	4300	5300
4	4400	4800	5800
5	4900	5300	6300
6	5400	5800	6800
7	5900	6300	7300
8	6500	6900	7800
9	7100	7500	8500
10	7800	8200	9100
Each Additional Person	600	600	600

1. MONEY PAYMENT

A money payment is a payment to an individual unless a designated payee has been court appointed. The payee may be the individual's committee, guardian or personal representative.

2. VENDOR PAYMENT

A vendor payment is a payment made directly to the ACR when an eligible individual leaves the home while his Auxiliary Grants application is pending or the ACR is approved for a retroactive rate after the individual leaves.

A vendor payment is not made in any other situation.

3. ENTITLEMENT DATE

The State Board has ruled that entitlement to assistance for an individual meeting all eligibility criteria who was in a ACR with an established rate when the Auxiliary Grants application was filed will begin with the month of application. If an individual does not meet all eligibility criteria at the time of application but meets all criteria when the application is processed, entitlement will begin the month all eligibility criteria are met. NOTE: Entitlement may begin on a date other than the first of the month.

The entitlement date can never be prior to the month of application.

4. EFFECTIVE DATE

The effective date is the date for beginning payment or a change in the amount of assistance.

5. INITIAL PAYMENT

Regardless of the date of agency action, the initial payment covers the need beginning with the date of entitlement. The payment should be issued as soon as administratively possible after official agency action. The initial payment may include a one-month-only or be a one-month-only.

6. ONE-MONTH-ONLY PAYMENT

A one-month-only payment is a payment authorized to cover a specific need not of a continuing nature such as a pro-rata payment for month of admission to a home, pro-rata payment for month of entitlement, for money owed due to a retroactive increase in rates, for money owed while payment was suspended during a rate adjustment or while a case was held pending during the establishment of a rate.

7. CONTINUING PAYMENTS

The payment initially authorized unless a one-month-only will continue as a regular monthly assistance payment to the client or payee until changed or cancelled due to a finding of ineligibility for continuing assistance. This payment is issued the first of the month to cover his/her needs for that month. It should be issued promptly on the first of the month. NOTE: If the initial authorization is for two amounts, one effective the date of action for initial payment

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and the other effective the first of the following month for an ongoing payment, two separate actions are required. For example, if the client had no income available to pay on the first month's care, the continuing payment would be less than the initial payment.

8. ISSUANCE OF PAYMENT

All checks, including the initial payment, are to be mailed unless the recipient has a justifiable reason for coming to the office, or for asking that the check be delivered. Such reason should be stated by the recipient in writing and the written request should be filed in the case record. There should be one person from the staff designated to mail the checks and to deliver all checks for which recipients call. A receipt should be secured for any checks delivered personally in the office, or in the home.